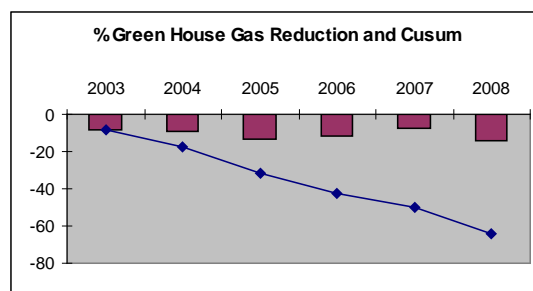
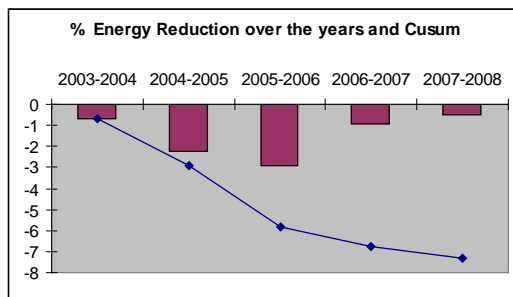


## Cascades Energy Action Group

A pioneer in many areas, Cascades came to the forefront of energy efficiency even before it became a global issue. Ten years ago, at the time when energy sources were still affordable, Antoine Baril founded the Energy Action Group to help Cascades' plants become more energy-efficient.

Today, the EAG has 12 permanent employees, mainly engineers, regularly assisted by two or three apprentices. The Group's mission is to reduce energy costs and increase energy efficiency for each of the 100-odd operating units of Cascades in Canada, the United States and Europe.

Cascades' energy consumption in 2008 was 8,900,000 MWH, which represents US\$380,354,000. Cascades reduced its energy consumption per production unit by 0.52% versus 2007, which corresponds to a savings of 46,000,000 KWH, or US\$1,977,900. In 2008, Cascades reduced its greenhouse-gas levels by 14.4%.



To achieve these numbers, it monitors energy spending and key performance indicators in the plants, studies and assesses their production systems and optimizes the existing equipment and new constructions. The EAG strategically defines its corporate objectives for reducing energy consumption and helps plants meet the established standards. Some energy guidelines include: All vehicles, supplies and equipment must be purchased with energy efficiency in mind; a temperature of 18°C (65°F) or less must be maintained in the mills (area of operation), and 15°C (60°F) or less in the warehouse (shipping and reception area); and heating and air-conditioning units must be controlled using an interlock device, based on the outside temperature. It also applies the 3R principle: reduction, recovery and replacement.

The EAG is especially proud of the Energy Investment Fund that it set up in 2003. This Fund, with over \$21,000,000 invested to date, enables Cascades' plants to quickly implement energy-reducing projects without any investment on their part, while saving money at the same time. Every month, the plants pay into the Fund an equivalent of 80% of the monthly savings made through this energy project, until the project costs have been paid back twice over. Participating units receive 20% of the remaining savings to use against their operating costs. Since the Fund was created, it has provided savings of \$7,800,000. More than US\$9,000,000 was invested in the United States alone for savings of US\$ \$3,300,000. Cascades has 23 plants in the United States.

Besides the Investment Fund, the EAG is implementing real-time measuring systems in the plants that consume the most energy. This system lets us create reports, alarms and dashboards based on targets, models, historical data and real-time data. It has also standardized energy follow-up in the plants; provided a standard corporate tool so that plants can optimize their energy use; allowed us to prevent over-consumption by reducing the operating comfort zone; and improved energy-reduction target goals.